STATE OF CONNECTICUT
NEWS RELEASE

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OCC Files Exceptions to DPUC's Draft Decision in CNG's "Rogue Meter Reader" Docket; Absence of Compensation for Affected Customers Decried

The Office of Consumer Counsel (OCC), the State's advocate for utility customers, is today filing Written Exceptions with the Department of Public Utility Control (DPUC) critical of the DPUC's September 5, 2008 Draft Decision in DPUC Docket No. 08-02-02, Petition of the Office of Consumer Counsel for DPUC Investigation into CNG Billing Issues.

Through this docket, opened after a petition by OCC, it was determined that four rogue CNG meter readers had falsified readings of customers in November and December 2007 that led to inaccurately low bills for customers. Later last winter, after accurate readings were taken, about 3,400 of customers received high "catch-up" bills, some of which were in the thousands of dollars. Hundreds or perhaps thousands of the affected customers suffered rate shock, fear of service termination, confusion, consternation and/or frustration over the high bills and CNG's customer service practices.

The DPUC Draft Decision identifies numerous shortcomings by CNG in terms of legal compliance, communications systems and customer service performance. Specifically, the Draft identifies that:

- CNG failed its customers by not adequately training its customer service representatives on how the meter reading issue should have been handled and on what information should be given to customers;

- CNG had a flawed monitoring system for detecting inaccurate or falsified meter reads, which contributed to the untimely discovery of the curbing issues;

- CNG should have notified the DPUC as soon as it suspected that there was a possibility of a curbing issue in order to allow the DPUC to mitigate the consequences, but CNG did not do so;

- CNG personnel failed to notify top CNG managers of the suspected curbing issues in a timely manner;

- CNG's billing system used an algorithm (if the bill passes any of 7 checks, send the bill) that was inadequate for detecting even obviously fabricated meter readings, such as some of those that occurred here; and

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- CNG failed to meet the payment plan requirements of Connecticut General Statutes § 16-259a(d) (governing the maximum amount of monthly catch-up bills), even though the company knew or should have known that some of the bills were catch-up bills for customers affected by the rogue meter readers.

Despite the fact that the DPUC identified all these shortcomings, and despite the customer impacts from receiving shockingly high catch-up bills, the Draft offers <u>no compensation</u> to affected customers. CNG would be allowed to collect every dime from affected customers, including credits that the Department had ordered CNG to offer in February when this investigation began, should the Draft become final. The Draft does suggest a charitable contribution of $150,000 to Operation Fuel. OCC supports the Operation Fuel idea, but believes that there should also be at least another $300,000 of compensation to customers who received the unreasonably high catch-up bills.

Consumer Counsel Mary Healey stated that "the DPUC should reconsider the deeply flawed Draft Decision. The customers who suffered from the failure in CNG's customer service, communications and legal compliance systems deserve some compensation for their time and trouble. I am disappointed that the Draft offers no compensation to these affected customers, and the consequences for CNG in the Draft are far too light. The Department should reconsider the Draft Decision, at least triple the penalties for CNG, and allow customers to retain a substantial portion of the credits ordered last February."

OCC has requested that DPUC hear oral arguments regarding this matter on Monday, September 22, at 2:00 p.m. DPUC's final decision is due on September 24.

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